

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF ADMINISTRATIVE SERVICES
JANUARY 18, 2023**

ITEM 2

SUBJECT

CONSIDERATION OF A PROPOSED RESOLUTION TO DELEGATE AUTHORITY TO THE EXECUTIVE DIRECTOR, THE CHIEF DEPUTY DIRECTOR OR THE DEPUTY DIRECTOR OF THE DIVISION OF ADMINISTRATIVE SERVICES TO EXECUTE CERTAIN CONTRACTS AND AMENDMENTS FOR THE CLEAN WATER STATE REVOLVING FUND, DRINKING WATER STATE REVOLVING FUND AND THE PUBLIC WATER SYSTEM SUPERVISION GRANT.

DISCUSSION

In accordance with the 2012 Revenue Bond Master Trust Indenture (Series 2012, 2016, 2017, 2018 and 2019), the State Water Resources Control Board (State Water Board) contracts with an independent audit firm to perform an annual audit of the Clean Water (CWSRF) and Drinking Water (DWSRF) State Revolving Funds Generally Accepted Accounting Principles (GAAP) financial statements.

Additionally, the Government Finance Officers Association (GFOA) has historically recommended multiyear contracts of at least five years be used for audit contracts.

Increasing the delegated authority amount for these audit services to no greater than \$500,000 per fiscal year with a contract term of no more than five years in length will assist the Division of Administrative Services (Contracts and Accounting staff) in streamlining the contract processing.

POLICY ISSUE

Should the State Water Resources Control Board adopt this resolution authorizing the Executive Director or designee to execute a contract for audit services for a no more than \$500,000 per fiscal year with a contract term of no more than five years?

FISCAL IMPACT

The resolution will authorize contract funding for a maximum of \$500,000 per fiscal year for up to five years (maximum of \$2,500,000 over five years). This activity is budgeted within existing resources and no additional fiscal demands will result from approving this item.

REGIONAL BOARD IMPACT

None.

STAFF RECOMMENDATION

The State Water Board should approve the resolution authorizing the Executive Director or designee to execute a contract for audit services for the CWSRF, DWSRF, PWSS for no more than \$500,000 per fiscal year with a contract term of no more than five years.